

**Follow-Up Audit on
Estimating System and Internal Controls**

June 2003

Reference Number: 2003-1C-130

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 13, 2003

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

FROM: Daniel R. Devlin
Assistant Inspector General for Audit (Headquarters Operations
and Exempt Organizations Programs)

SUBJECT: Follow-up Audit on Estimating System and Internal Controls
(Audit #200310002.034)

The Defense Contract Audit Agency (DCAA) examined the contractor's estimating system corrective actions as of April 17, 2003. The purpose of the examination was to ensure that the contractor's system of estimating controls is adequate to provide estimated costs that are reasonable and compliant with applicable laws and regulations. The examination was also used to evaluate the contractor's compliance with the system's internal control requirements.

The DCAA opined that the contractor's estimating system and related internal control policies and procedures are considered adequate. Also, according to DCAA, the contractor took appropriate corrective actions to previously reported conditions.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-8500 or John R. Wright, Director at (202) 927-7077.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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